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SECURITY INFORMATION

## INFORMATION REPORT

REPORT

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COUNTRY Rumania

DATE DISTR. 17 June 1952

SUBJECT Sovromasigurare (Sovrom Insurance Company),  
Bucharest.

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CIRCULATE

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THIS IS UNEVALUATED INFORMATION

1. Sovromasigurare was formed in 1949 out of the former German owned Victoria Insurance Company of Berlin, which was handed over to the Soviets in 1948 as enemy property. The new company's main offices are located at 12 Strada Doamnei, Bucharest. The Bucharest branch office is situated at 22 Strada Balcescu. 25X1
2. Sovromasigurare opened branch offices in all large towns in Rumania and by the end of 1950 had nearly a monopoly on insurance throughout the country. It included among its clients all state enterprises, all Sovrom enterprises, all cooperatives, as well as part of the private life and annuity business.
3. By the end of 1950 the State had paid Sovromasigurare more than 4,000 million lei in premiums for state enterprises. Claims paid amounted to only 12 percent of this sum.
4. Acting on a suggestion by Vasile Luca, who pointed out that in a socialist system where everything belongs to the State there is no value in insurance but only administrative expenses, no further insurance was taken out by the State in 1951. Sovromasigurare was thus left with only the cooperatives and the Sovroms as clients, apart from private insurance.
5. Following another suggestion by Luca, all insurance companies not included in the Sovrom organization were amalgamated in January 1952 in a single state enterprise called A.D.A.S. (Asociatia de Asigurare a Statului - State Insurance Company). This is headed by Aurel Vijoli, the former Governor of the State Bank. All state enterprises are now again insured by this newly formed company and the entire insurance business in Rumania has been divided between A.D.A.S. and Sovromasigurare, the latter retaining the cooperatives, the Sovroms and private business. It is rumored that this insurance deal was the main cause for the dismissal of Luca and the disgracing of his two associates in A.D.A.S.

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